



Agenda Item Number: 11-7-13.7A

**SANDOVAL COUNTY
BOARD OF COUNTY COMMISSIONERS**

**Date of Commission
Meeting:**

November 7, 2013

**Division / Elected
Office:**

Office of the County Manager

Staff Contact:

Phillip Rios, County Manager

Title of Item:

Resolution Authorizing Issuance and Sale of General Obligation Refunding Bonds, Series 2013, and Bond Purchase Agreement

Action Requested:

Request for a Motion to Adopt Resolution No. 11-7-13.7A Authorizing the Issuance and Sale of \$4,825,000 General Obligation Refunding Bonds, Series 2013, to Refund, Redeem and Pay the County's Outstanding General Obligation Bonds, Series 2004, and Approval of a Bond Purchase Agreement between Sandoval County and Robert W. Baird & Co. (Bond Underwriter)

Summary:

This resolution authorizes the issuance of general obligation bonds to refund the County's outstanding Series 2004 general obligation bonds to achieve debt service savings for the County. Recommend Board of County Commission approval.

Attachments:

- DRAFT Resolution No. 11-7-13.7A
- DRAFT Bond Purchase Agreement

FISCAL IMPACT

None

STAFF ANALYSIS SUMMARY

County Manager:

N/A

**Initiating Elected Official /
Division Director:**

N/A

Legal:

Reviewed by Bond Counsel. PFT 10/30/13

Finance:

No fiscal impact. CCH 10/30/13

SANDOVAL COUNTY, NEW MEXICO
RESOLUTION NO. 11-7-13.7A

A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF THE SANDOVAL COUNTY, NEW MEXICO, GENERAL OBLIGATION REFUNDING BONDS, SERIES 2013, IN THE PRINCIPAL AMOUNT OF \$4,825,000 PAYABLE FROM AD VALOREM TAXES LEVIED ON ALL TAXABLE PROPERTY WITHIN THE COUNTY, LEVIED WITHOUT LIMIT AS TO RATE OR AMOUNT; PROVIDING FOR THE FORM, TERMS AND CONDITIONS OF THE BONDS, THE MANNER OF THEIR EXECUTION, AND THE METHOD OF, AND SECURITY FOR, PAYMENT; PROVIDING FOR THE SALE OF THE BONDS TO THE UNDERWRITER AND THE PRICE TO BE PAID BY THE UNDERWRITER FOR THE BONDS; AND PROVIDING FOR OTHER DETAILS CONCERNING THE BONDS.

WHEREAS, the Sandoval County, New Mexico General Obligation Bonds, Series 2004 are presently outstanding in the principal amount of \$5,410,000 (the "Series 2004 Bonds"), which outstanding Series 2004 Bonds maturing on and after April 15, 2015 are callable on any interest payment date on and after April 15, 2014 (the "Refunded Bonds"); and

WHEREAS, the Board of County Commissioners (the "Board") of Sandoval County, New Mexico (the "County") has determined and hereby determines that it would be economically advantageous and in the interest of the County and its residents to refund, redeem and pay the Refunded Bonds with the proceeds of refunding general obligation bonds; and

WHEREAS, the Board has received an offer to purchase the Bonds from Robert W. Baird & Co., Inc. as underwriter of the Bonds pursuant to the Bond Purchase Agreement; and

WHEREAS, the Board has determined and does hereby determine that the Bonds shall be issued at this time under the authority of the New Mexico Constitution and applicable law as hereinafter set forth, and desires to fix the form and details of the Bonds and to provide for the levy of taxes for the payment of the principal of and interest on the Bonds; and

WHEREAS, the net effective interest rate on the Bonds is not more than ten percent (10%); and

WHEREAS, no action or suit has been commenced by any person or corporation contesting the validity of any of the proceedings directed toward the issuance and sale of the Bonds heretofore taken by the Board and the officers of the County.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF SANDOVAL COUNTY, NEW MEXICO AS FOLLOWS:

Section 1. All actions heretofore taken by the Board and the officers and employees of the County directed toward the issuance and sale of the Bonds to secure funds for the purpose stated above be, and the same hereby are, ratified, approved and confirmed, including the sale of the Bonds to Robert W. Baird & Co., Inc. (the "Underwriter") pursuant to the Bond Purchase Agreement.

Section 2.

A. In order to provide funds for the purposes stated above, the Board, on behalf of the County and upon the full faith and credit thereof, shall issue the County's general obligation refunding bonds maturing and bearing interest as follows:

Year Maturing (August 1)	Principal Amount Maturing	Interest Rate
2014	\$90,000	
2015	385,000	
2016	415,000	
2017	515,000	
2018	520,000	
2019	530,000	
2020	545,000	
2021	560,000	
2022	575,000	
2023	690,000	

B. The Bonds shall be dated the date of their delivery (herein the "Series Date"), will be issued in one series and shall consist of bonds numbered consecutively from R-1 upward, issuable in the denomination of \$5,000 each or integral multiples thereof (provided that no individual bond will be issued for more than one maturity); shall bear interest from the Series Date to maturity at the rates per annum set forth above for the Bonds, payable to the registered owner thereof, or registered assigns, on February 1, 2014, and semiannually thereafter on February 1 and August 1 in each year in which the Bonds are outstanding and shall mature on August 1 of each year set forth above. The Bonds shall be sold by a private sale to the Underwriter pursuant to the Bond Purchase Agreement at the price established in the Bond Purchase Agreement which is hereby ratified and approved.

C. Bonds which are reissued upon transfer, exchange or other replacement shall bear interest from the most recent interest payment date to which interest has been fully paid or provided for in full or, if no interest has been paid, from the Series Date.

D. The principal of and interest on the Bonds due at maturity shall be payable to the registered owner thereof, as shown on the registration books kept by the Sandoval County Treasurer as the registrar/paying agent (the "Registrar/Paying Agent") for the Bonds, upon maturity and upon presentation and surrender thereof at the principal office of the Registrar/Paying Agent. If any Bond shall not be paid upon such presentation and surrender at or after maturity, it shall continue to draw interest at the rate borne by the Bond until the principal thereof is paid in full. Payment of interest on the Bonds (other than at maturity) shall be made by check or draft mailed by the Registrar/Paying Agent (or by such other arrangement as may be mutually agreed to by the Registrar/Paying Agent and such registered owner), on or before each interest payment date (or, if such interest payment date is not a business day, on or before the next succeeding business day), to the registered owner thereof as of the close of business on the Record Date (defined below) at the address as it appears on the registration books kept by the Registrar/Paying Agent. All such payments shall be made in lawful money of the United States of America. The term "Record Date" as used herein with respect to any interest payment date shall mean the 15th day of the month preceding the interest payment date. The person in whose name any Bond is registered at the close of business on any Record Date with respect to any interest payment date shall be entitled to receive the interest payable thereon on such interest payment date notwithstanding any transfer or exchange thereof subsequent to such Record Date and prior to such interest payment date; but interest on any Bond which is not timely paid or duly provided for shall cease to be payable as provided above and shall be payable to the person in whose name such Bond is registered at the close of business on a special record date (the "Special Record Date") fixed by the Registrar/Paying Agent for the payment of any such overdue interest. The Special Record Date shall be fixed by the Registrar/Paying Agent whenever moneys become available for payment of overdue interest, and notice of any such Special Record Date shall be given not less than ten days prior thereto, by first-class mail, to the registered owners of the Bonds as of the fifth day preceding the mailing of such notice by the Registrar/Paying Agent, stating the Special Record Date and the date fixed for the payment of overdue interest.

E. The Bonds are not subject to optional redemption prior to maturity.

Section 3. The Bonds shall constitute the general obligation bonds of the County, payable from general ad valorem taxes in amounts sufficient to meet the semi-annual payments of interest and annual payments of principal on the Bonds maturing in each year. The full faith and credit of the County shall be, and hereby is, irrevocably pledged to the payment of the principal of and interest on the Bonds.

Section 4. The Bonds shall bear the manual or facsimile signature of the Chair of the Board and shall be attested by the manual or facsimile signature of the Sandoval County Clerk. The Bonds shall be authenticated by the manual signature of an authorized officer of the Registrar/Paying Agent. The Bonds bearing the signatures or facsimile signatures of the officers in office at the time of the signing thereof shall be the valid and binding obligations of the County, notwithstanding that, before the delivery of the Bonds and payment therefor, or before the issuance thereof upon transfer or exchange, any or all of the persons whose signatures appear on the Bonds shall have

ceased to fill their respective offices. The Chair of the Board and the County Clerk shall, by the execution of a signature certificate pertaining to the Bonds, adopt as and for their respective signatures the facsimiles thereof appearing on the Bonds; and, at the time of the execution of the signature certificate, the Chair of the Board and County Clerk may each adopt as and for his or her facsimile signature the facsimile signature of his or her predecessor in office in the event that such facsimile signature appears upon any of the Bonds. If required for execution of the Bonds, the Chair of the Board and the County Clerk, pursuant to Sections 6-9-1 through 6-9-6, NMSA 1978, shall each forthwith file his or her manual signature, certified by him or her under oath, with the Secretary of State of New Mexico, provided that such filing shall not be necessary for any officer where any previous filing shall have application to the Bonds.

No Bond shall be valid or obligatory for any purpose unless the certificate of authentication, substantially in the form hereinafter provided, has been duly executed by the Registrar/Paying Agent. The Registrar/Paying Agent's certificate of authentication shall be deemed to have been duly executed by it if signed by an authorized officer of the Registrar/Paying Agent, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds issued hereunder.

Section 5.

A. Books for the registration and transfer of the Bonds shall be kept by the Registrar/Paying Agent, which is hereby appointed by the County as registrar and as paying agent for the Bonds. Upon the surrender for transfer of any Bond at the principal office of the Registrar/Paying Agent, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing, the Registrar/Paying Agent shall authenticate and deliver, not more than three business days after receipt of the Bond to be transferred, in the name of the transferee or transferees, a new Bond or Bonds in fully registered form of the same aggregate principal amount of authorized denominations, and of the same maturity, interest rate and series, bearing a number or numbers not contemporaneously outstanding. Bonds may be exchanged at the principal office of the Registrar/Paying Agent for an equal aggregate principal amount of Bonds of other authorized denominations, and of the same maturity, series and interest rate. The Registrar/Paying Agent shall authenticate and deliver, not more than three business days after receipt of the Bond to be exchanged, a Bond or Bonds which the registered owner making the exchange is entitled to receive, bearing a number or numbers not contemporaneously outstanding. Exchanges and transfers of Bonds as herein provided shall be without charge to the owner or any transferee, but the Registrar/Paying Agent may require the payment by the owner of any Bond requesting exchange or transfer of any tax or other governmental charge required to be paid with respect to such exchange or transfer.

B. The person in whose name any Bond shall be registered on the registration books kept by the Registrar/Paying Agent, shall be deemed and regarded as the absolute owner thereof for the purpose of making payment thereof and for all other purposes except as may otherwise be provided with respect to payment of overdue interest as is provided in Section 2 hereof; and payment of or on account of either

principal or interest on any Bond shall be made only to or upon the written order of the registered owner thereof or his legal representative, but such registration may be changed upon transfer of such Bond in the manner and subject to the conditions and limitations provided herein. All such payments shall be valid and effectual to discharge the liability upon such Bond to the extent of the sum or sums so paid.

C. If any Bond shall be lost, stolen, destroyed or mutilated, the Registrar/Paying Agent shall, upon receipt of the mutilated Bond and such evidence, information or indemnity relating thereto as it may reasonably require and as may be required by law, authenticate and deliver a replacement Bond or Bonds of a like aggregate principal amount of authorized denominations, and of the same maturity, interest rate and series, bearing a number or numbers not contemporaneously outstanding. If such lost, stolen, destroyed or mutilated Bond shall have matured, the Registrar/Paying Agent may pay such Bond in lieu of replacement.

D. The officers of the County are authorized to deliver to the Registrar/Paying Agent fully executed but unauthenticated Bonds in such quantities as may be convenient to be held in custody by the Registrar/Paying Agent pending use as herein provided.

E. Whenever any Bond shall be surrendered to the Registrar/Paying Agent upon payment thereof, or to the Registrar/Paying Agent for transfer, exchange or replacement as provided herein, such Bond shall be promptly cancelled by the Registrar/Paying Agent, and counterparts of a certificate of such cancellation shall be furnished by the Registrar/Paying Agent to the County.

F. Notwithstanding the above provisions of this Section, the Bonds may be issued or registered, in whole or in part, in book-entry form from time to time with no physical distribution of bond certificates made to the public, with the Depository Trust Company of New York, New York (the "Depository"), acting as securities depository for the Bonds. A single certificate for each maturity date of the Bonds issued in book-entry form will be delivered to the Depository and immobilized in its custody. The book-entry system will evidence ownership of the Bonds in authorized denominations, with transfer of ownership effected on the books of the Depository and its participants (the "Participants"). As a condition to delivery of the Bonds in book-entry form, the Underwriter will, immediately after acceptance of delivery thereof, deposit, or cause to be deposited, the Bond certificates with the Depository, registered in the name of the Depository or its nominee. Principal, premium, if any, and interest will be paid to the Depository or its nominee as the registered owner of the Bonds. The transfer of principal, premium, if any, and interest payments to Participants will be the responsibility of the Depository; the transfer of principal, premium, if any, and interest payments to the beneficial owners of the Bonds (the "Beneficial Owners") will be the responsibility of Participants and other nominees of Beneficial Owners maintaining a relationship with Participants (the "Indirect Participants"). The County will not be responsible or liable for maintaining, supervising or reviewing the records maintained by the Depository, Participants or Indirect Participants.

If (i) the Bonds are not eligible for the services of the Depository, (ii) the Depository determines to discontinue providing its services with respect to the Bonds, or (iii) the County determines that a continuation of the system of book-entry transfers through the Depository ceases to be beneficial to the County or the Beneficial Owners, the County will either identify another similar depository to perform such functions or certificates for the Bonds will be delivered to the Beneficial Owners or their nominees, and the Beneficial Owners or their nominees, upon authentication of Bonds and registration of those Bonds in the Beneficial Owners' or nominees' names, will become the owners of the Bonds for all purposes. In that event, the County shall mail an appropriate notice to the Depository for notification to Participants, Indirect Participants and Beneficial Owners of the substitute Depository or the issuance of bond certificates to Beneficial Owners or their nominees, as applicable.

Officers of the County are authorized to sign agreements with the Depository relating to the matters set forth in this Section.

Notwithstanding any other provision of this Resolution, so long as all of the Bonds are registered in the name of the Depository or its nominee, all payments of principal, premium, if any, and interest on the Bonds, and all notices with respect to the Bonds, shall be made and given by the Registrar/Paying Agent to the Depository as provided in this Resolution and by the Depository to its Participants or Indirect Participants and notices to the Beneficial Owners of the Bonds in the manner provided in an agreement or letter of the County to the Depository.

Section 6. If the Registrar/Paying Agent initially appointed hereunder shall resign, or if the County shall reasonably determine that the Registrar/Paying Agent has become incapable of fulfilling its duties hereunder, the County may, upon notice mailed to each registered owner of the Bonds at the address last shown on the registration books, appoint a successor Registrar/Paying Agent. Every such successor Registrar/Paying Agent shall be a bank or trust company located in and in good standing in the United States and having a shareholders equity (e.g., capital stock, surplus and undivided profits), however denominated, of not less than \$10,000,000.

Section 7. Subject to the registration provisions hereof, the Bonds hereby authorized shall be fully negotiable and shall have all the qualities of negotiable paper, and the registered owner or owners thereof shall possess all rights enjoyed by the holders of negotiable instruments under the provisions of the Uniform Commercial Code.

Section 8. The Bonds shall be in substantially the following form:

[Form of Bond]

REGISTERED
NO. _____

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF NEW MEXICO
SANDOVAL COUNTY, NEW MEXICO
GENERAL OBLIGATION REFUNDING BONDS
SERIES 2013

Registered Owner: CEDE & CO.

Principal Amount: _____ DOLLARS

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Series Date</u>	<u>CUSIP</u>
_____ % per annum	August 1, 20____	_____, 2013	_____

The Board of County Commissioners (the "Board") on the faith, credit and behalf of Sandoval County, New Mexico (the "County"), for value received, hereby promises to pay to the registered owner named above, or registered assigns, the principal amount hereof on the Maturity Date and to pay interest on the principal amount at the Interest Rate on February 1, 2014, and thereafter on February 1 and August 1 of each year (the "Interest Payment Date") from the Series Date to its maturity. The principal of the bonds of the series of which this is one (the "Bonds") and interest due at maturity shall be payable to the registered owner thereof as shown on the registration books kept by the Sandoval County Treasurer as registrar/paying agent (the County Treasurer and any successor thereto, the "Registrar/Paying Agent") for the Bonds, upon maturity and upon presentation and surrender thereof at the principal office of the Registrar/Paying Agent. If any Bond shall not be paid upon such presentation and surrender at or after maturity, it shall continue to draw interest at the rate borne by the Bond until the principal thereof is paid in full. Payment of interest on the Bonds (other than at maturity) shall be made by check or draft mailed by the Registrar/Paying Agent (or by such other arrangement as may be mutually agreed to by the Registrar/Paying Agent and such registered owner), on or before each Interest Payment Date (or, if such Interest Payment Date is not a business day, on or before the next succeeding business day), to the registered owner thereof as of the close of business on the Record Date (defined below) at his or her address as it appears on the registration books kept by the Registrar/Paying Agent. All such payments shall be made in lawful money of the United States of America. The term "Record Date" as used herein with respect to any Interest Payment Date shall mean the 15th day of the month preceding the Interest Payment Date. The person in whose name any Bond is registered at the close of business on any Record Date with respect to any Interest Payment Date shall be entitled to receive the interest payable thereon on such Interest Payment Date notwithstanding any transfer or exchange thereof subsequent to such Record Date and prior to such Interest Payment Date; but interest on any Bond which is not timely paid or duly provided for shall cease to be payable as provided above and shall be payable to the person in whose name such Bond is registered at the close of business

on a special record date (the "Special Record Date") fixed by the Registrar/Paying Agent for the payment of any such overdue interest. The Special Record Date shall be fixed by the Registrar/Paying Agent whenever moneys become available for payment of overdue interest, and notice of any such Special Record Date shall be given not less than ten days prior thereto, by first-class mail, to the registered owners of the Bonds as of the fifth day preceding the mailing of such notice by the Registrar/Paying Agent, stating the Special Record Date and the date fixed for the payment of overdue interest. If the Bonds are issued in book-entry only form, an authorized officer of the County and the applicable securities depository may make other arrangements for the payments on the Bonds.

The Bonds are fully registered and are issuable in denominations of \$5,000 and any integral multiple thereof (provided that no individual bond may be issued for more than one maturity).

The series of Bonds of which this bond is one is limited to the total principal amount of \$_____ of like tenor except as to number, denomination, maturity date, and interest rate, issued by Sandoval County, New Mexico. The proceeds of the Bonds, in the interest of the County and its residents, will be used to refund, redeem and pay the outstanding Sandoval County, New Mexico General Obligation Bonds, Series 2004 maturing on and after April 15, 2015.

The Bonds are not subject to optional redemption prior to maturity.

The Registrar/Paying Agent will maintain the books of the County for the registration of ownership of the Bonds. Upon the surrender for transfer of any Bond at the principal office of the Registrar/Paying Agent, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing, the Registrar/Paying Agent shall authenticate and deliver, not more than three business days after receipt of the Bond to be transferred, in the name of the transferee or transferees, a new Bond or Bonds in fully registered form of the same aggregate principal amount of authorized denominations, and of the same maturity, interest rate and series, bearing a number or numbers not contemporaneously outstanding. Bonds may be exchanged at the principal office of the Registrar/Paying Agent for an equal aggregate principal amount of Bonds of other authorized denominations, and of the same maturity, series and interest rate. The Registrar/Paying Agent shall authenticate and deliver, not more than three business days after receipt of the Bond to be exchanged, a Bond or Bonds which the registered owner making the exchange is entitled to receive, bearing a number or numbers not contemporaneously outstanding. Exchanges and transfers of Bonds as herein provided shall be without charge to the owner or any transferee, but the Registrar/Paying Agent may require the payment by the owner of any Bond requesting exchange or transfer of any tax or other governmental charge required to be paid with respect to such exchange or transfer.

The person in whose name any Bond shall be registered on the registration books kept by the Registrar/Paying Agent shall be deemed and regarded as the absolute owner thereof for the purpose of making payment thereof and for all other purposes except as may otherwise be provided with respect to payment of overdue interest; and payment of

or on account of either principal or interest on any Bond shall be made only to or upon the written order of the registered owner thereof or his legal representative, but such registration may be changed upon transfer of such Bond in the manner and subject to the conditions and limitations provided herein. All such payments shall be valid and effectual to discharge the liability upon such Bond to the extent of the sum or sums so paid.

If any Bond shall be lost, stolen, destroyed or mutilated, the Registrar/Paying Agent shall, upon receipt of the mutilated Bond and such evidence, information or indemnity relating thereto as the Registrar/Paying Agent may reasonably require and as may be required by law, authenticate and deliver a replacement Bond or Bonds of a like aggregate principal amount of authorized denominations, and of the same maturity, interest rate and series, bearing a number or numbers not contemporaneously outstanding. If such lost, stolen, destroyed or mutilated Bond shall have matured, the Registrar/Paying Agent may pay such Bond in lieu of replacement.

For the punctual payment of the principal of and interest on this bond as aforesaid and for the levy and collection of taxes in accordance with the statutes authorizing the issuance of this bond, the full faith and credit of the County is hereby irrevocably pledged. The Board has, by the Bond Resolution, ordered the creation of an interest and sinking fund for the payment of the Bonds. Such fund is to be held in trust for the benefit of the owner or owners of the Bonds.

It is hereby certified, recited and warranted that all the requirements of law have been complied with by the proper officials of the County in the issuance of this bond; that the total indebtedness of the County, including that of this bond, does not exceed any limit of indebtedness prescribed by the Constitution or laws of the State of New Mexico; that provision has been made for the levy and collection of annual taxes sufficient to pay the principal of and the interest on this bond when the same become due. This bond shall not be valid or obligatory for any purpose until the Registrar/Paying Agent shall have manually signed the certificate of authentication hereon.

IN TESTIMONY WHEREOF, the Board of County Commissioners of Sandoval County, New Mexico constituting the governing board of the County, has caused this bond to be signed and executed with the manual or facsimile signature of the Chair of the Board and subscribed and attested with the manual or facsimile signature of the Sandoval County Clerk, all as of the Series Date.

[County Seal]

Darryl F. Madalena, Chair
Board of County Commissioners
Sandoval County, New Mexico

Attest:

Eileen Garbagni, County Clerk
Sandoval County, New Mexico

CERTIFICATE OF AUTHENTICATION

This bond is one of the Bonds described in the Bond Resolution and has been duly registered on the registration books kept by the undersigned as Registrar/Paying Agent for the Bonds.

Date of Authentication
and Registration: _____, 2013

Sandoval County Treasurer,
as Registrar/Paying Agent

By: _____
Laura M. Montoya

ASSIGNMENT

For value received, the undersigned sells, assigns and transfers unto _____ whose social security or tax identification number is _____ the within bond and irrevocably constitutes and appoints _____ attorney to transfer such bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Address: _____

Signature Guaranteed:

NOTE: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatsoever.

[End of Form of Bond]

Section 9. When the Bonds have been duly executed and authenticated, they shall be delivered to the Underwriter named in Section 1 of this Resolution. \$4,825,000 in principal amount of the Bonds, shall be used to refund, redeem and pay the Refunded Bonds. The Underwriter shall in no manner be responsible for the application of or

disposal by the County, or any of its officers, of any of the funds derived from the sale thereof.

Section 10. There shall be levied on all taxable property within the County, at the time and in the manner provided by law, in addition to all other taxes, direct annual ad valorem taxes sufficient to pay the principal of and interest accruing on the Bonds promptly as the same shall become due. This Resolution is hereby declared to be the certificate of the Board, as to the amount of taxes necessary to be levied for the purposes herein stated and said taxes shall be certified, levied and extended upon the tax rolls and collected in the same manner, at the same time and subject to the same penalties as general state and county taxes are certified, levied and collected. The taxes, when collected, shall be kept by the County in the County's interest and sinking fund for the County's general obligation bonds to be used solely for the purpose of paying the principal of and interest on the County's general obligation bonds as the same become due or mature; provided that nothing herein contained shall be so construed as to prevent the application of any other funds belonging to the County and available for that purpose, to the payment of the Bonds or the interest thereon, as the same become due and upon such payment the levy or levies of tax provided for in this Section may thereupon to that extent be diminished. If the taxes herein provided for shall not be levied or collected in time to pay the interest on or principal of the Bonds as the same become due or mature, then such interest or principal shall be paid from any other funds belonging to the County, which funds may be reimbursed from the taxes herein provided for when the same are collected.

Section 11. The Chair of the Board, County Clerk, County Treasurer and other officers and employees of the County are hereby authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Resolution, including without limiting the generality of the foregoing, the printing of the Bonds, the execution of letters and agreements with the Depository, the printing and execution of disclosure documents relating to the Bonds, the deposit of Bond proceeds as provided in this Resolution, the payment of the costs of issuance of the Bonds, and such certificates as may be required by the Underwriter or bond counsel relating to, among other things, the signing of the Bonds, the tenure and identity of County officials, the receipt of the purchase price of the Bonds from the Underwriter and the absence of litigation, pending or threatened, if in accordance with the facts, affecting the validity thereof and the absence and existence of factors affecting the exclusion of interest on the Bonds from gross income for federal income tax purposes.

In order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5), at the time of delivery of the Bonds, the County will undertake, pursuant to a written continuing disclosure agreement, to provide annual financial information and notices of certain events as specified in that continuing disclosure agreement.

Section 12. The County covenants that it will restrict the use of the proceeds of the Bonds in such manner and to such extent, if any, as may be necessary so that the Bonds will not constitute arbitrage bonds under Section 148 of the Internal Revenue

Code of 1986, as amended (the "Code"). The Chair of the Board, the County Treasurer and any other officer of the County having responsibility for the issuance of the Bonds shall give an appropriate certificate of the County, for inclusion in the transcript of proceedings for the Bonds, setting forth the reasonable expectations of the County regarding the amount and use of all the proceeds of the Bonds, the facts, circumstances and estimates on which they are based, and other facts and circumstances relevant to the tax treatment of interest on the Bonds.

The County covenants that it (a) will take or cause to be taken such actions which may be required of it for the interest on the Bonds to be and remain excluded from gross income for federal income tax purposes, and (b) will not take or permit to be taken any actions which would adversely affect that exclusion, and that it, or persons acting for it, will, among other acts of compliance, (i) apply the proceeds of the Bonds to the governmental purpose of the borrowing, (ii) restrict the yield, as required, on investment property acquired with those proceeds, (iii) make timely rebate payments, if required, to the federal government, (iv) maintain books and records and make calculations and reports, and (v) refrain from certain uses of proceeds, all in such manner and to the extent necessary to assure such exclusion of that interest under the Code. The Chair of the Board, the County Treasurer and other officers of the County are hereby authorized and directed to take any and all actions, make calculations and rebate payments, and make or give reports and certifications, as may be appropriate to assure such exclusion of that interest.

Section 13. Any Bond and the interest thereon shall be deemed to be paid, retired, and no longer outstanding (a "Defeased Bond") hereunder when payment of the principal of such Bond, plus interest thereon to the due date (whether such due date be by reason of maturity, upon redemption, or other) either (a) shall have been made or caused to be made in accordance with the terms thereof (including the giving of any required notice of redemption), or (b) shall have been provided for on or before such due date by irrevocably depositing with or making available to a qualified depository for such payment (i) lawful money of the United States of America sufficient to make such payment or (ii) Government Obligations which mature as to principal and interest in such amounts and at such times as will ensure the availability, without reinvestment, of sufficient money to provide for such payment (as verified by a certified or registered public accountant), and when proper arrangements have been made by the County with a qualified depository for the payment of its services until all Defeased Bonds shall have become due and payable. At such time as a Bond shall be deemed to be a Defeased Bond hereunder, such Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of the ad valorem taxes herein levied and pledged as provided in this ordinance, and such principal and interest shall be payable solely from such money or Government Obligations.

Any moneys so deposited with the qualified depository may, at the written direction of the County, also be invested and re-invested in Government Obligations, maturing in the amounts and times required to make payments when due on the Defeased Bonds, and all income from such Government Obligations received by the qualified depository which is not required for the payment of the Defeased Bonds and interest

thereon, with respect to which such money has been so deposited, shall be turned over to the County for use in accordance with law. The term "Government Obligations" means direct obligations of the United States of America, including obligations the principal of and interest on which are unconditionally guaranteed by the United States of America which may be United States Treasury Obligations such as its State and Local Government Series, which may be in book-entry form.

Section 14. Moneys in any fund not immediately needed may be invested as provided by state law and applicable federal statutes and regulations, provided that the Board and the County hereby covenant to the purchasers and the holders of the Bonds from time to time that the County will make no use of the proceeds of the Bonds or any funds reasonably expected to be used to pay the principal of or interest on the Bonds which will cause the Bonds to be arbitrage bonds within the meaning of Section 148 of the Code, as amended, or which would adversely affect the tax status of interest on the Bonds under the Code. This covenant is for the benefit of the purchasers and the holders of the Bonds from time to time.

Section 15. After any of the Bonds have been issued, this Resolution shall constitute a contract between the County and the holder or holders of the Bonds and shall be and remain irrevocable and unalterable until the Bonds and the interest thereon shall have been fully paid, satisfied and discharged, defeased or until such payment has been duly provided for.

Section 16. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

Section 17. The following notice shall be published one time in a newspaper having general circulation in the County as soon as is practicable following the adoption hereof:

[Form of Notice]

LEGAL NOTICE

NOTICE IS HEREBY GIVEN that the Board of County Commissioners of Sandoval County, New Mexico did, on the 7th day of November, 2013, adopt a resolution entitled:

SANDOVAL COUNTY, NEW MEXICO

A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF THE SANDOVAL COUNTY, NEW MEXICO, GENERAL OBLIGATION REFUNDING BONDS, SERIES 2013, IN THE PRINCIPAL AMOUNT OF \$4,825,000 PAYABLE FROM AD VALOREM TAXES LEVIED ON ALL TAXABLE PROPERTY WITHIN THE COUNTY, LEVIED WITHOUT LIMIT AS TO RATE OR AMOUNT; PROVIDING FOR THE FORM, TERMS AND CONDITIONS OF THE BONDS, THE MANNER OF THEIR EXECUTION, AND THE METHOD OF, AND SECURITY FOR, PAYMENT; PROVIDING FOR THE SALE OF THE BONDS TO THE UNDERWRITER AND THE PRICE TO BE PAID BY THE UNDERWRITER FOR THE BONDS; AND PROVIDING FOR OTHER DETAILS CONCERNING THE BONDS.

The Resolution directs and authorizes the issuance of Sandoval County, New Mexico, General Obligation Refunding Bonds, Series 2013 in the aggregate principal amount of \$4,825,000, to be issued to refund, redeem and pay the County's outstanding General Obligation Bonds, Series 2004 maturing on and after April 15, 2015.

Complete copies of the Resolution are available for public inspection during normal and regular business hours at the office of the Sandoval County Clerk, 1500 Idalia Road, Building D, Bernalillo, New Mexico. This notice constitutes compliance with Section 6-14-6 NMSA 1978.

DATED this 7th day of November, 2013.

Darryl F. Madalena, Chair
Board of County Commissioners
Sandoval County, New Mexico

[End Form of Notice]

Section 18. All acts and resolutions in conflict or inconsistent with this Resolution are hereby rescinded, annulled and repealed, but only to the extent of such conflict or inconsistency.

PASSED, ADOPTED AND APPROVED this 7th day of November, 2013.

BOARD OF COUNTY COMMISSIONERS
SANDOVAL COUNTY, NEW MEXICO

[County Seal]

By: _____
Darryl F. Madalena, Chair

ATTEST:

By: _____
Eileen Garbagni, County Clerk

Board Member _____ then seconded the adoption of the foregoing resolution.

The motion to adopt the resolution upon being put to a vote was passed and adopted on the following recorded vote:

Those Voting Aye:

Those Voting Nay:

_____ (____) members of the Board having voted in favor of the motion, the presiding officer declared the motion carried and the resolution adopted, whereupon the Chair of the Board and County Clerk signed the foregoing proceedings and resolution upon the records of the minutes of the Board.

After transaction of other business not related to the bond issue, the Board, upon motion duly made, seconded and carried, adjourned the meeting.

BOARD OF COUNTY COMMISSIONERS
SANDOVAL COUNTY, NEW MEXICO

By: _____
Darryl F. Madalena, Chair

ATTEST:

By: _____
Eileen Garbagni, County Clerk

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EXHIBIT “A”

Meeting Agenda

BOND PURCHASE AGREEMENT

DRAFT

**SANDOVAL COUNTY
\$4,825,000
General Obligation Refunding Bonds
Series 2013**

November __, 2013

Darryl Madalena, Chairman
Sandoval County Commission
1500 Idalia Road, Building D
Bernalillo, NM 87004

Ladies and Gentlemen:

Robert W. Baird & Co. (the "Underwriter"), offers to enter into this bond purchase agreement (the "Contract") with Sandoval County, New Mexico (the "Issuer") which, upon the Issuer's written acceptance of this offer, will be binding upon the Issuer and upon the Underwriter. This offer is made subject to the Issuer's written acceptance hereof on or before midnight, prevailing Mountain Time, on November __, 2013. If not so accepted, the Contract may be withdrawn by the Underwriter upon notice delivered to the Issuer at any time prior to the acceptance hereof by the Issuer. Terms not otherwise defined in this Contract shall have the same meanings set forth in the Bond Award Resolution adopted by the Sandoval County Commission on November 7, 2013 (Resolution No. __, or the "Resolution") or in the Official Statement dated November __, 2013, prepared with respect to the Bonds.

Section 1. *Terms of the Bonds.* The Bonds shall mature and bear interest as described in **Exhibit "A"** attached hereto and incorporated hereunder by reference. All other terms of the Bonds shall be as set forth in the Resolution.

Section 2. *Purchase and Sale of the Bonds.* Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriter hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to sell and deliver to the Underwriter, all, but not less than all, of the Issuer's General Obligation Refunding Bonds, Series 2013 (the "Bonds").

The purchase price for the Bonds shall be \$_____ (which is equal to the par amount of the Bonds plus the original issue premium \$_____ and less an Underwriter's discount of \$_____).

Inasmuch as this purchase and sale represents a negotiated transaction, the Issuer acknowledges and agrees that: (i) the purchase and sale of the Bonds pursuant to this Agreement is an arm's length, commercial transaction between the Issuer and the Underwriter in which the Underwriter is acting solely as principal and are not acting as municipal advisor, financial advisor or fiduciary to the Issuer; (ii) the Underwriter has not assumed any advisory or fiduciary responsibility to the Issuer with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the

Underwriter has provided other services or are currently providing other services to the Issuer on other matters); (iii) the Underwriter is acting solely in their capacity as underwriter for their own accounts; (iv) the only obligations the Underwriter has to the Issuer with respect to the transaction contemplated hereby expressly are set forth in this Agreement; and (v) the Issuer has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate.

Section 3. *Public Offering.* The Underwriter agrees to make a bona fide public offering of the Bonds at the initial offering prices or yields as set forth in Exhibit A attached hereto, and on the inside front cover of the final Official Statement of the Issuer dated _____ relating to the Bonds, except that the Underwriter may offer and sell the Bonds at lower prices to certain dealers, unit investment trusts, money market funds and other institutional purchasers. Following the initial offering, the offering prices or yields may be changed from time to time by the Underwriter. The Underwriter shall comply with the rules of the Municipal Securities Rulemaking Board (the "MSRB").

Section 4. *The Official Statement.*

(a) The Issuer has previously caused to be prepared a Preliminary Official Statement concerning the Bonds dated November ___, 2013. The Preliminary Official Statement has been prepared to allow the Underwriter to comply with Securities and Exchange Commission Rule 15c2-12 (the "Rule") in connection with the public offering, sale and distribution of the Bonds by the Underwriter. The Issuer hereby represents and warrants that the Preliminary Official Statement was final as of its date, except for information specifically permitted to be omitted by Section (b)(1) of the Rule. The Issuer hereby authorizes and ratifies the use of the Preliminary Official Statement by the Underwriter prior to the date hereof in connection with the public offering of the Bonds. The Issuer also authorizes the distribution of the Preliminary Official Statement to any potential customers (as defined in the Rule) until the Final Official Statement (defined below) is available.

(b) The Issuer hereby authorizes the preparation of a Final Official Statement dated as of the date hereof and authorizes the Underwriter to use the information contained therein in connection with the public offering of the Bonds. The Final Official Statement is hereby approved in substantially the form of the Preliminary Official Statement with such changes as may be approved by the Underwriter. The Final Official Statement, together with any and all supplements and amendments which may be approved by the Underwriter, is referred to herein as the "Official Statement."

(c) The Issuer shall provide, or cause to be provided, to the Underwriter (with the assistance of Disclosure Counsel) as soon as practicable after the date of the Issuer's acceptance of this Contract (but, in any event, not later than seven business days after the Issuer's acceptance of this Contract and in sufficient time to accompany any confirmation that requests payment from any customer) copies of the Official Statement in such quantity as the Underwriter shall request in order for the Underwriter to comply with Section (b)(4) of the Rule and the rules of the Municipal Securities Rulemaking Board.

(d) If, after the date of this Contract to and including the date on which the Underwriter is no longer required to provide an Official Statement to potential customers who request the same pursuant to the Rule (the earlier of (i) 90 days from the “end of the underwriting period” (as defined in the Rule) and (ii) the time when the Official Statement is available to any person from a nationally recognized municipal securities repository, but in no case less than 25 days after the “end of the underwriting period” for the Bonds), the Issuer becomes aware of any fact or event which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, not misleading, or if it is necessary to amend or supplement the Official Statement to comply with law, the Issuer will notify the Underwriter (and for the purposes of this clause provide the Underwriter with such information as they may from time to time request), and if, in the opinion of the Underwriter, such fact or event requires preparation and publication of a supplement or amendment to the Official Statement, the Issuer will forthwith prepare and furnish, at the Issuer’s own expense (in a form and manner approved by the Underwriter), a reasonable number of copies of either amendments or supplements to the Official Statement so that the statements in the Official Statement as so amended and supplemented will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading or so that the Official Statement will comply with law. If such notification shall be subsequent to the Closing, the Issuer shall furnish such legal opinions, certificates, instruments and other documents as the Underwriter may deem necessary to evidence the truth and accuracy of such supplement or amendment to the Official Statement.

(e) The Underwriter hereby agrees to file the Official Statement with a nationally recognized municipal securities information repository. Unless otherwise notified in writing by the Underwriter, the Issuer can assume that the “end of the underwriting period” for purposes of the Rule is the date of the Closing.

Section 5. *Representations, Warranties, and Covenants of the Issuer.* The Issuer hereby represents, warrants and covenants to the Underwriter that:

(a) The Issuer is a political subdivision and county operating under the Constitution and laws of the State of New Mexico (the “State”) duly created, organized and existing under the laws of the State, and has full legal right, power and authority, and at the date of the Closing will have full legal right, power and authority, under NMSA Sections 4-49-1 through 4-49-21 and Sections 6-15-1 through 6-15-22 (the “Act”), other applicable New Mexico law and the Resolution: (i) to enter into, execute and deliver this Contract, the Continuing Disclosure Agreement dated as of the Closing (the “Undertaking”), and all other documents required to be executed and delivered by the Issuer pursuant to such documents (this Contract, the Resolution, the Undertaking, and the other documents referred to in this clause (i) are hereinafter referred to as the “Issuer Documents”), (ii) to sell, issue and deliver the Bonds to the Underwriter as provided herein, and (iii) to issue the Bonds and to carry out and consummate the transactions contemplated by the Issuer Documents and the Official Statement; and the Issuer has complied, and will at the Closing be in compliance in all respects, with the terms of the Act and the Issuer Documents as they pertain to such transactions;

(b) By all necessary official action of the Issuer taken prior to or concurrently with the acceptance of this Contract, the Issuer has duly authorized: (i) the adoption of the Resolution and the issuance and sale of the Bonds, (ii) the approval, execution and delivery of, and the performance by the Issuer of the obligations on its part contained in the Bonds and the Issuer Documents and (iii) the consummation by it of all other transactions contemplated by the Official Statement, the Issuer Documents and any and all such other agreements and documents as may be required in order to carry out, give effect to, and consummate the transactions contemplated herein and in the Official Statement;

(c) The Issuer Documents and the Bonds (when issued, delivered and paid for) constitute legal, valid and binding obligations of the Issuer, enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights; upon the issuance, authentication and delivery of the Bonds, the Resolution will provide, for the benefit of the holders of the Bonds from time to time, the legally valid and binding general obligation it purports to create as set forth in the Resolution.

(d) The Issuer is not in breach of or default in any material respect under any applicable constitutional provision, law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument relating to the Bonds to which the Issuer is a party or to which the Issuer is or any of its property or assets comprising the Bonds are otherwise subject, and no event has occurred and is continuing which constitutes, or with the passage of time or the giving of notice, or both, would constitute a default or event of default by the Issuer under any of the foregoing; and the execution and delivery of the Bonds and the Issuer Documents and the adoption of the Resolution and compliance with the provisions on the Issuer's part contained therein, will not conflict with or constitute a breach of or default under any constitutional provision, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument relating to the Bonds to which the Issuer is a party or to which the Issuer is or to which any of its property or assets comprising the Bonds are otherwise subject.

(e) All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by the Issuer of its obligations under the Issuer Documents and the Bonds have been duly obtained, except for such approvals, consents and orders as may be required under the blue sky or securities laws of any jurisdiction in connection with the offering and sale of the Bonds;

(f) There is no litigation, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to the knowledge of the Issuer, threatened against the Issuer, affecting the existence of the Issuer or the titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds pursuant to the Resolution or in any way contesting or affecting the validity or enforceability of the Bonds or the Issuer Documents, or

contesting the excludability of the interest on the Bonds from gross income for federal income tax purposes or from net income for State income tax purposes, or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or contesting the powers of the Issuer or any authority for the issuance of the Bonds, the adoption of the Resolution or the execution and delivery of the Issuer Documents, nor, to the knowledge of the Issuer, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Bonds or the Issuer Documents;

(g) As of its date, the Preliminary Official Statement did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(h) As of its date and at all times subsequent thereto, up to and including the date of Closing, the Official Statement will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(i) The Issuer will apply, or cause to be applied, the proceeds from the sale of the Bonds as provided in and subject to all of the terms and provisions of the Resolution and not to take or omit to take any action which action or omission will adversely affect the excludability of the interest on the Bonds from gross income for federal income tax purposes or from net income for State income tax purposes;

(j) The Issuer will furnish such information and execute such instruments and take such action in cooperation with the Underwriter as the Underwriter may reasonably request: (1) to (aa) qualify the Bonds for offer and sale under the blue sky or other securities laws and regulations of such states and other jurisdictions in the United States as the Underwriter may designate and (bb) determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions; and (2) to continue such qualifications in effect so long as required for the distribution of the Bonds (provided, however, that the Issuer will not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any jurisdiction). The Issuer will advise the Underwriter immediately of receipt by the Issuer of any notification with respect to the suspension of the qualification of the Bonds for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose;

(k) The financial statements of the Issuer and the other financial information regarding the Issuer contained in the Official Statement fairly present the financial position of the Issuer as of the dates and for the periods set forth in the Official Statement. Prior to the Closing, there will be no adverse change of a material nature in such financial position, results of operations or condition, financial or otherwise, of the Issuer;

(l) Prior to the Closing the Issuer will not offer or issue any bonds, notes or other obligations for borrowed money or incur any material liabilities, direct or contingent, payable from or secured by the full faith and credit of the Issuer without notice to the Underwriter;

(m) Any certificate, signed by any official of the Issuer authorized to do so in connection with the transactions contemplated by this Contract, shall be deemed a representation and warranty by the Issuer to the Underwriter as to the statements made therein.

Section 6. *Closing.*

(a) At ___ a.m., prevailing mountain time, on November ___, 2013, at the offices of the Issuer, or at such other time, date and place as shall have been mutually agreed upon by the Issuer and the Underwriter (the "Closing"), the Issuer will, subject to the terms and conditions hereof, deliver the Bonds to the Underwriter duly executed and authenticated, together with the other documents hereinafter mentioned, and the Underwriter will, subject to the terms and conditions hereof, accept such delivery and pay the purchase price of the Bonds as set forth in Section 2 of this Contract by wire transfer payable in immediately available funds to the order of the Issuer.

(b) Delivery of the Bonds shall be made to the Depository Trust Company, New York, New York ("DTC"). The Bonds, bearing CUSIP numbers, shall be delivered in definitive fully registered form with one Bond for each maturity, registered in the name of Cede & Co., all as provided in the Resolution. The Bonds shall be made available to the Underwriter at DTC at least one business day before the Closing for purposes of inspection.

Section 7. *Closing Conditions.* The Underwriter has entered into this Contract in reliance upon the representations, warranties and agreements of the Issuer contained herein, and in reliance upon the representations, warranties, and agreements to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the Issuer of its obligations hereunder, both as of the date hereof and as of the date of the Closing. Accordingly, the Underwriter's obligations under this Contract to purchase, to accept delivery of and to pay for the Bonds shall be conditioned upon the performance by the Issuer of its obligations hereunder and under such documents and instruments at or prior to the Closing, and also shall be subject to the following additional conditions:

(a) The representations and warranties of the Issuer contained herein shall be true, complete and correct on the date hereof and on the date of the Closing;

(b) Prior to or at the Closing, the Issuer shall have performed and complied with all agreements and conditions required by this Contract;

(c) At the time of the Closing, (i) the Issuer Documents and the Bonds shall be in full force and effect and shall not have been amended, modified or supplemented, and the Official Statement shall not have been supplemented or amended, except as may have been agreed to by the Underwriter as provided in Section 4(b) of this Contract, and (ii) all actions required to be taken by the Issuer shall be performed in order for Modrall, Sperling, Roehl, Harris & Sisk, P.A., Bond Counsel, counsel to the Issuer and disclosure counsel to the Issuer ("Disclosure Counsel") to deliver its respective opinions;

(d) At the time of the Closing, all official action of the Issuer relating to the Bonds and the Issuer Documents shall be in full force and effect and shall not have been amended, modified or supplemented;

(e) At or prior to the Closing, the Issuer Documents shall have been duly executed, as applicable, and delivered by the Issuer and the Bonds shall have been duly executed and delivered by the Issuer and duly authenticated by the Registrar;

(f) At the time of the Closing, there shall not have occurred any change or any development involving a prospective change in the condition, financial or otherwise, in the Bonds, from that set forth in the Official Statement that in the judgment of the Underwriter is material and adverse and that makes it, in the judgment of the Underwriter, impracticable to market the Bonds on the terms and in the manner contemplated in the Official Statement;

(g) The Issuer shall not have failed to pay principal or interest when due on any of its outstanding obligations for borrowed money;

(h) All steps to be taken and all instruments and other documents to be executed, and all other legal matters in connection with the transactions contemplated by this Contract shall be reasonably satisfactory in legal form and effect to the Underwriter;

(i) At or prior to the Closing, the Underwriter shall have received copies of each of the following documents:

(1) The Official Statement executed on behalf of the Issuer by its Chairman;

(2) The Resolution (with such supplements or amendments as may have been agreed to by the Underwriter);

(3) The Undertaking executed by the Issuer;

(4) the approving opinion of Bond Counsel with respect to the Bonds, in substantially the form attached as Appendix A to the Official Statement;

(5) a supplemental opinion of Bond Counsel addressed to the Underwriter and the Issuer, substantially to the effect that and with typical qualifications found in similar opinions:

(i) the Resolution has been duly adopted and is in full force and effect;

(ii) the Resolution, the Undertaking, and this Contract (assuming due authorization, execution and delivery of this Contract by the Underwriter), constitute the legal, valid and binding special, limited obligations of the Issuer enforceable in accordance with their respective terms;

The opinions in paragraphs (i) and (ii) of this Section 7(j)(5) may be qualified to the effect that the obligations of the Issuer are subject to the application of equitable principles, to the reasonable exercise in the future by the State and its governmental bodies of the public power inherent in the sovereignty of the State and to the exercise by the United States of America of the powers delegated to it by the federal Constitution including, without limitation, bankruptcy powers.

(6) An opinion, dated the date of the Closing and addressed to the Underwriter and the Issuer, of Disclosure Counsel, to the effect that:

(i) the Bonds are exempt securities under the Securities Act of 1933, as amended (the "Securities Act"), and it is not necessary, in connection with the offering and sale of the Bonds, to register the Bonds under the Securities Act and the Resolution need not be qualified under the Trust Indenture Act of 1939, as amended; and

(ii) based upon their examination of certain laws and documents, participation in the preparation of the Official Statement as Disclosure Counsel and their participation at conferences with various parties, but without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Official Statement, nothing has come to the attention of the attorneys in the firm rendering legal services in connection with their representation that led them to believe that the Official Statement, as of its date (except for the financial statements, demographic, economic, engineering and statistical data and any statements of trends, forecasts, estimates, projections, assumptions, or any expressions of opinion, and information concerning DTC contained in the Official Statement and its Appendices, as to which no view need be expressed), contained any untrue statement of a material fact or omitted a material fact required to be stated therein or necessary in order to make the statements in the Official Statement, in light of the circumstances under which they were made, not misleading;

(7) An opinion of the Issuer's Counsel, addressed to the Underwriter to the effect that:

(i) The Issuer is a political subdivision and municipality under the Constitution and laws of the State or New Mexico (the "State") duly created, organized and existing under the laws of the State, and has full legal right, power and authority, under the Act and other applicable New Mexico law, and the Resolution: (A) to enter into, execute and deliver the Issuer Documents and all other documents required to be executed and delivered by the Issuer, (B) to sell, issue and deliver the Bonds to the Underwriter as provided herein, and (C) to carry out and consummate the transactions contemplated by the Issuer Documents and the Official Statement;

(ii) By all necessary official action of the Issuer prior to or concurrently with the acceptance of this Contract, the Issuer has duly authorized all necessary

action to be taken by it for: (A) the adoption of the Resolution and the issuance and sale of the Bonds, (B) the approval, execution and delivery of, and the performance by the Issuer of the obligations contained in the Bonds and the Issuer Documents, and (C) the consummation by it of all other transactions contemplated by the Official Statement, the Issuer Documents and any and all such other agreements and documents as may be required to be executed, delivered and/or received in order to carry out, give effect to, and consummate the transactions contemplated in the Contract and in the Official Statement;

(iii) The Resolution was duly and validly adopted by the Issuer and is in full force and effect; the Resolution and all other proceedings pertinent to the validity and enforceability of the Bonds have been duly and validly adopted or undertaken in compliance with all applicable procedural requirements of the Issuer and in compliance with the Constitution and laws of the State, including the Act;

(iv) The Issuer Documents have been duly authorized, executed and delivered by the Issuer, and constitute legal, valid and binding obligations of the Issuer enforceable against the Issuer in accordance with their respective terms, except to the extent limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws and equitable principles of general application relating to or affecting the enactment of creditors' rights;

(v) The distribution of the Preliminary Official Statement and the Official Statement has been duly authorized by the Issuer;

(vi) All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by the Issuer of its obligations under the Issuer Documents and the Bonds have been obtained;

(vii) There is no litigation, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to the knowledge of such counsel, threatened, against the Issuer, affecting the corporate existence of the Issuer or the titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds, the Issuer Documents, or contesting the excludability of the interest on the Bonds from gross income for federal income tax purposes or from net income for State income tax purposes, or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto, or contesting the powers of the Issuer or any authority for the issuance of the Bonds, the adoption of the Resolution or the execution and delivery of the Issuer Documents, nor, to the knowledge of such counsel, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Bonds or the Issuer Documents;

(viii) The execution and delivery of the Issuer Documents and compliance by the Issuer with the provisions hereof and thereof, under the circumstances contemplated herein and therein, will not conflict with or constitute on the part of the Issuer a material breach of or a default under any agreement or instrument relating to the Bonds to which the Issuer is a party, or violate any existing law, administrative regulation, court order, or consent decree relating to the Bonds to which the Issuer is subject; and

(8) A certificate, dated the date of Closing, of the Issuer to the effect that (i) the representations and warranties of the Issuer contained herein are true and correct in all material respects on the date of Closing; (ii) no litigation or proceeding against it is pending or, to its knowledge, threatened in any court or administrative body nor is there a basis for litigation which would (a) contest the right of the members or officials of the Issuer to hold and exercise their respective positions, (b) contest the due organization and valid existence of the Issuer, (c) contest the validity, due authorization and execution of the Bonds or the Issuer Documents or (d) attempt to limit, enjoin or otherwise restrict or prevent the Issuer from functioning pursuant to the Resolution; (iii) the Resolution authorizing the execution, delivery and/or performance of the Official Statement, the Bonds and Issuer Documents has been duly adopted by the Issuer, is in full force and effect and has not been modified, amended or repealed, and (iv) to its knowledge, no event affecting the Issuer has occurred since the date of the Official Statement which should be disclosed in the Official Statement or which it is necessary to disclose therein in order to make the statements and information therein, in light of the circumstances under which made, not misleading in any respect as of the time of Closing, and the information contained in the Official Statement is correct in all material respects and, as of the date of the Official Statement did not, and as of the date of the Closing, does not, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading;

(9) A certificate of the Issuer in form and substance satisfactory to Bond Counsel (a) setting forth the facts, estimates and circumstances in existence on the date of the Closing, which establish that it is not expected that the proceeds of the Bonds will be used in a manner that would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and any applicable regulations (whether final, temporary or proposed), issued pursuant to the Code, and (b) certifying that to the knowledge and belief of the Issuer there are no other facts, estimates or circumstances that would materially change the conclusions, representations and expectations contained in such certificate;

(10) Evidence satisfactory to the Underwriter that the Bonds have received a rating of "____" by Moody's Investors Service ("Moody's"), and that such ratings are in effect as of the date of Closing;

(11) Such additional legal opinions, certificates, instruments and other documents as the Underwriter or Bond Counsel may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the date of the Closing, of the Issuer's representations and warranties contained herein and of the statements and information contained in the Official Statement and the due performance or satisfaction by the Issuer on or prior to the date of the

Closing of all the respective agreements then to be performed and conditions then to be satisfied by the Issuer; and

All of the opinions, letters, certificates, instruments and other documents listed above or elsewhere in this Contract shall be deemed to be in compliance with the provisions hereof only if they are in form and substance satisfactory to the Underwriter.

If the Issuer shall be unable to satisfy the conditions contained in this Contract, or if the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds shall be terminated for any reason permitted by this Contract, this Contract shall terminate and neither the Underwriter nor the Issuer shall be under any further obligation hereunder, except that the respective obligations of the Issuer and the Underwriter set forth in Section 9 hereof shall continue in full force and effect.

Section 8. *Termination.* The Underwriter shall have the right to cancel its obligation to purchase the Bonds if, between the date of this Contract and the Closing, the market price or marketability of the Bonds shall be materially adversely affected, in the sole judgment of the Underwriter, by the occurrence of any of the following:

(a) legislation shall be enacted by or introduced in the Congress of the United States or recommended to the Congress for passage by the President of the United States, or the Treasury Department of the United States or the Internal Revenue Service or any member of the Congress or the State legislature or favorably reported for passage to either House of the Congress by any committee or such House to which such legislation has been referred for consideration, a decision by a court of the United States or of the State or the United States Tax Court shall be rendered, or an order, ruling, regulation (final, temporary or proposed), press release, statement or other form of notice by or on behalf of the Treasury Department or the United States, the Internal Revenue Service or other governmental agency shall be made or proposed, the effect of any or all of which would be to impose, directly or indirectly, federal income taxation or State income taxation upon interest received on obligations of the general character of the Bonds or of the interest on the Bonds as described in the Official Statement, or other action or events shall have transpired which may have the purpose or effect, directly or indirectly, of changing the federal income tax consequences or State income tax consequences of any of the transactions contemplated herein;

(b) legislation introduced in or enacted (or resolution passed) by the Congress or an order, decree, or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary, or proposed), press release or other form of notice issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction or the subject matter, to the effect that obligations of the general character of the Bonds, including any or all underlying arrangements, are not exempt from registration under or other requirements of the 1933 Act, or that the Resolution is not exempt from qualification under or other requirements of the Trust Indenture Act, or that the issuance, offering, or sale of obligations of the general character of the Bonds, including any or all underlying arrangements, as contemplated hereby or by the Official Statement or otherwise, is or would be in violation of federal securities law as amended and then in effect;

(c) any state blue sky or securities commission or other governmental agency or body shall have withheld registration, exemption or clearance of the offering of the Bonds as described herein, or issued a stop order or similar ruling relating thereto;

(d) a general suspension of trading in securities on the New York Stock Exchange, the establishment of minimum prices on such exchange, the establishment of material restrictions (not in force as of the date hereof) upon trading securities generally by any governmental authority or any national securities exchange, a general banking moratorium declared by federal, State of New York, or State officials authorized to do so;

(e) the New York Stock Exchange or other national securities exchange or any governmental authority, shall impose, as to the Bonds or as to obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the Net capital requirements of, the Underwriter;

(f) any amendment to the federal or State Constitution or action by any federal or State court, legislative body, regulatory body, or other authority materially adversely affecting the tax status of the Issuer, its property, income or securities (or interest thereon);

(g) any event occurring, or information becoming known which, in the judgment of the Underwriter, makes untrue in any material respect any statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(h) there shall have occurred since the date of this Contract any materially adverse change in the affairs or financial condition of the Issuer relating to the Bonds, except for expected changes disclosed in the Official Statement;

(i) the United States shall have become engaged in hostilities which have resulted in a declaration of war or a national emergency or there shall have occurred any other outbreak or escalation of hostilities or a national or international calamity or crisis, financial or otherwise;

(j) any fact or event shall exist or have existed that, in the Underwriter's judgment, requires or has required an amendment of or supplement to the Official Statement and the Issuer has refused the request of the Underwriter to amend or supplement the Official Statement to reflect such fact or event;

(k) there shall have occurred, or any notice shall have been given of any intended review, downgrading, suspension, withdrawal, or negative change in the credit watch status by any national rating service to the Issuer's stand alone rating assigned to the Bonds; and

(l) the purchase of and payment for the Bonds by the Underwriter, or the resale of the Bonds by the Underwriter, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission.

Section 9. *Expenses.*

(a) The Issuer shall pay any expenses incident to the performance of the Issuer's obligations hereunder, including, but not limited to (i) the cost of preparation and printing of the Official Statement and the Bonds; (ii) the fees and disbursements of any financial advisors, engineers, accountants, and other experts, consultants or advisers retained by the Issuer; (iii) the fees and disbursements of Bond Counsel and Disclosure Counsel; (iv) the fees for bond ratings; and (v) other costs associated with the issuance of the Bonds.

(b) The Underwriter shall pay (i) all advertising expenses in connection with the public offering of the Bonds; (ii) all other expenses incurred by it in connection with the public offering of the Bonds; (iii) travel and other expense incurred by employees of the Underwriter in connection with the public offering of the Bonds; and (vi) fees of its counsel, if any.

Section 10. *Notices.* Any notice or other communication to be given to the Issuer under this Contract may be given by delivering the same in writing at its address set forth above, Attention: County Manager and any notice or other communication to be given to the Underwriter under this Contract may be given by delivering the same in writing to Robert W. Baird & Co., 210 University Blvd., Suite 460, Denver, CO 80206, Attention: Brian Kelso, Vice President.

Section 11. *Parties in Interest.* This Contract as heretofore specified shall constitute the entire agreement between us and is made solely for the benefit of the Issuer and the Underwriter (including successors or assigns of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof. This Contract may not be assigned by the Issuer. All of the Issuer's representations, warranties and agreements contained in this Contract shall remain in full force and effect, regardless of (i) any investigations made by or on behalf of any of the Underwriter; (ii) delivery of and payment for the Bonds pursuant to this Contract; and (iii) any termination of this Contract.

Section 12. *Effectiveness.* This Contract shall become effective upon the acceptance hereof by the Issuer and shall be valid and enforceable at the time of such acceptance.

Section 13. *Choice of Law.* This Contract shall be governed by and construed in accordance with the laws of New Mexico.

Section 14. *Severability.* If any provision of this Contract shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provisions of any Constitution, statute, rule of public policy, or any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any

other case or circumstance, or of rendering any other provision or provisions of this Contract invalid, inoperative or unenforceable to any extent whatever.

Section 15. *Business Day*. For purposes of this Contract, "business day" means any day on which the New York Stock Exchange is open for trading.

Section 16. *Section Headings*. Section headings have been inserted in this Contract as a matter of convenience of reference only, and it is agreed that such section headings are not a part of this Contract and will not be used in the interpretation of any provisions of this Contract.

Section 17. *Counterparts*. This Contract may be executed in several counterparts each of which shall be regarded as an original (with the same effect as if the signatures thereto and hereto were upon the same document) and all of which shall constitute one and the same document.

If you agree with the foregoing, please sign the enclosed counterpart of this Contract and return it to the Underwriter. This Contract shall become a binding agreement between you and the Underwriter when at least one counterpart of this Contract shall have been signed by or on behalf of each of the parties hereto.

Very truly yours,

ROBERT W. BAIRD & CO.

By _____
Authorized Officer

Accepted on November __, 2013 at _____ p.m.

SANDOVAL COUNTY, NEW MEXICO

By _____
Chairman

EXHIBIT “A”

	<u>Maturity</u> <u>(August 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest Rate</u> <u>Per Annum</u>	<u>Yield</u>
	2014			
	2015			
	2016			
	2017			
	2018			
	2019			
	2020			
	2021			
	2022			
	2023			